STATE OF CALIFORNIA BUSINESS, TRANSPORTATION AND HOUSING AGENCY DEPARTMENT OF MANAGED HEALTH CARE

File No. 933-0043 Order No. S-04-1319 Filing Nos. 20040557¹

Licensee: California Physicians' Service,

d/b/a Blue Shield of California, Inc.

SUPPLEMENTAL ORDER ON THE NOTICE OF MATERIAL MODIFICATION

Pursuant to Health and Safety Code section 1352(b), this Supplemental Order is being issued by the Department of Managed Health Care ("Department") in regards to the Notice of Material Modification ("Notice") filed on June 30, 2004 by California Physicians' Service, d/b/a Blue Shield of California, Inc., along with all Amendments submitted, regarding the Proposed CalPERS narrow provider network and associated block transfer filings are approved in part and denied in part as of the date set forth below. The terms of the original Order issued by the Department on August 5, 2004 are unchanged and remain in effect. The Supplemental Order is issued for the sole purpose of updating the original Order to include the final associated filing number issued in connection with the Notice. This Supplemental Order shall remain in effect until revoked or superceded by further Order of the Director.

IT IS SO ORDERED.

Dated: September 29, 2004

Sacramento, California

C LEWIS CHAPTRAND ID

G. LEWIS CHARTRAND, JR. Chief Deputy Director Department of Managed Health Care

 $^{^{1}} Associated Filing Nos. 20040601, 20040639, 20040644, 20040645, 20040716, 20040731, 20040754, 20040899, 20040903, 20040920, 20040921, 20040922, 20040923, 20040924, 20040925, 20040926, 20040927, 20040929, 20040930, 20040931, 20040933, 20040934, 20040935, 20040940, and 20040946.$